

**John F. Kennedy Space Center, NASA
Procurement Office**

**Justification for Other than Full and Open Competition
prepared in accordance with FAR 6.3 and NFS 1806.3**

**Procurement of Commercial Payload Processing Capability for East
Coast Payloads Launching on Expendable Launch Vehicles between
Fiscal Years 2010 and 2013**

This Justification follows the paragraph numbering conventions outlined in FAR 6.303-2.

(1) This Justification for Other than Full and Open Competition (JOFOC) relates to procurement action to be taken by the Procurement Office at John F. Kennedy Space Center, NASA.

(2) This JOFOC pertains to procurement of commercial payload processing capability, on a noncompetitive basis, from Astrotech Space Operations (ASO), Titusville, Florida.

(3) The subject procurement is for commercial payload processing capability for the East Coast payloads between the Fiscal Years 2010 and 2013. The procurement will result in a firm-fixed-price Indefinite Delivery, Indefinite Quantity (IDIQ) contract, which does not specify a firm quantity of services (other than a minimum or maximum quantity) and provides for the issuance of orders for the performance of tasks during the contract period. The quantity limits are stated as dollar values with a minimum order value of \$100,000 and a maximum order value of \$10,000,000. Prior to each mission the Government will establish requirements and obtain updated pricing. Task Orders for each mission are performed within the terms of the IDIQ contract.

The missions are scheduled for launch from Cape Canaveral Air Force Station (CCAFS), Florida on Expendable Launch Vehicles (ELVs) and Evolved Expendable Launch Vehicles (EELVs). Current mission manifests list launch dates through Fiscal Year 2013. Payload processing is anticipated to commence approximately three months prior to the launch date for each payload. Upon completion of payload processing approximately two weeks prior to the launch date, the payloads will be moved to CCAFS, mated to the launch vehicle, and launched.

Commercial Payload Processing Capability includes providing the processing facility, support equipment, and support personnel for NASA and ELV contractor personnel who will prepare the referenced payloads for launch. For each payload, detailed requirements definitions will be developed to specify the exact facility capability, equipment, and manpower support required. The total estimated price of the proposed procurement is not expected to exceed \$10,000,000.

(4) This JOFOC is authorized under FAR 6.302-1, which permits restriction on full and open competition when the supplies or services required by the agency are available from only one responsible source, and no other type of supplies or services will satisfy agency requirements.

(5) The NASA Launch Services Program (LSP), pursuant to existing NASA policy, has determined that payload processing for missions must be performed in commercial facilities (rather than Government facilities) whenever processing requirements permit. This policy is part of a larger NASA effort to commercialize space transportation and payload processing, similar to commercialization efforts previously undertaken for expendable launch vehicle services. The only source capable of satisfying the Agency's requirement for East Coast commercial processing is ASO, Titusville, Florida. ASO is the only company with a commercial payload processing facility in the vicinity of CCAFS, and has provided commercial processing services at its Titusville location since the mid 1980s. It is a well-established principle for spacecraft of this type that the processing facility must be near the launch facility. Transport of a processed and fueled payload, encapsulated in its payload fairing, must be minimized to reduce cost and especially to reduce risk of damage to the highly valuable spacecraft or of other mishap during transportation.

(6) As required by FAR 5.2, a notice of proposed contract action reflecting this JOFOC was publicized beginning September 11, 2009, with the fifteen day waiting period expiring on September 28, 2009. No responses were received to be considered in planning for subsequent contract action.

(7) It is anticipated that the cost of the described procurement will be fair and reasonable. ASO has previously performed similar processing for NASA/KSC and other Government customers; prices for this work were determined to be fair and reasonable and are available for historical pricing comparison. ASO will be required to provide proposal information in sufficient detail to allow the Government to determine price reasonableness, although commercial procurement practices may preclude the submittal of certified cost or pricing data.

(8) Formal market research will not be conducted for this procurement. Payload processing capability requires highly specialized facilities, equipment, and personnel, as well as large capital investment. Processing assignments and capability are well publicized and marketed to the space launch community. For these reasons, processing providers have high visibility within the community and existing capabilities are well known. Further, given the high cost of entry into the market and existing market conditions, it is highly unlikely that capability from a new provider would or could be developed in time to support this procurement, even if such efforts began immediately.

(9) Processing specifications and requirements specific to a particular spacecraft are necessarily detailed and specialized, to ensure proper preparation and minimize risk. The nature of these requirements, while challenging, is not ultimately considered to be a primary factor restricting the development of alternative sources. Rather, the barriers described in the previous paragraph (high level of specialization, high cost of entry into market, relatively weak current commercial market) are likely the reasons why competitive sources have not materialized.

(10) No sources have expressed interest in writing in the proposed acquisition, and no such expressions are anticipated based on the reasons listed earlier.

(11) There are no known actions that the Agency may take to remove or overcome barriers to competition before completion of the proposed acquisition. These barriers, as described earlier, are external to the Agency and therefore not in the Agency's control.

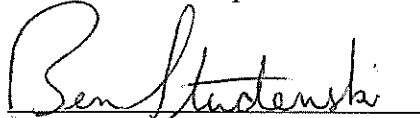
(12) I certify that this Justification is accurate and complete to the best of my knowledge and belief.

Justification for Other than Full and Open Competition for:

Procurement of Commercial Payload Processing Capability for East Coast Payloads Launching on Expendable Launch Vehicles between Fiscal Years 2010 and 2013

Technical Officer:

I certify that the supporting data presented in this justification are accurate and complete.



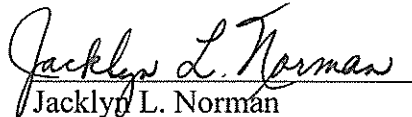
Benjamin T. Studenski
Program Integration Manager
LSP Program Business Office

10/2/2009

Date

Contracting Officer:

I certify that this justification is accurate and complete to the best of my knowledge and belief.

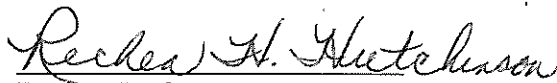


Jacklyn L. Norman
Contracting Officer

10/5/09

Date

Concurrence:

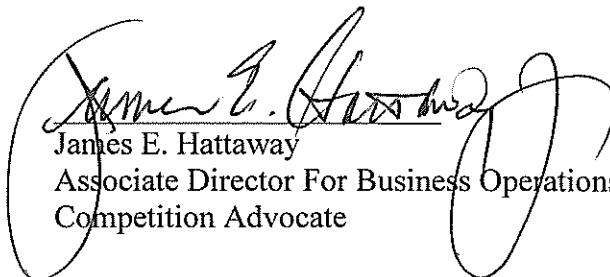


for Dudley R. Cannon
Director, Procurement Office

10/16/09

Date

Approve:



James E. Hattaway
Associate Director For Business Operations
Competition Advocate

10/23/09

Date